

UNCLASSIFIED

Department of State

4/19/79

OUTGOING  
TELEGRAM

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STATE 099067

1293

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ORIGIN HA-05

INFO OCT-01 ARA-11 EUR-12 EA-10 NEA-06 ADS-00 SS-15  
 EB-06 TRSE-00 SP-02 L-03 SIG-03 SSO-00 AID-05  
 DMB-01 NSCE-00 CIAE-00 INR-10 NSAE-00 INRE-00  
 ICAE-00 PA-01 XMB-02 FRB-03 H-01 /099 R

DRAFTED BY HA/HR:BBOWIE:DJR  
 APPROVED BY D:WCHRISTOPHER  
 ARA:JBUSHNELL  
 EB:FNASH  
 TREAS:PGONZALEZ  
 D:JSPIEGEL  
 S/P:JWALKER  
 L:LBUMANN  
 HA/HR:CSALMON  
 ARA:RGUZHAN

-----009730 200249Z /62

O 192346Z APR 79  
 FM SECSTATE WASHDC  
 TO AMEMBASSY OTTAWA IMMEDIATE  
 AMEMBASSY COPENHAGEN IMMEDIATE  
 AMEMBASSY STOCKHOLM IMMEDIATE  
 AMEMBASSY BONN IMMEDIATE  
 AMEMBASSY LONDON IMMEDIATE  
 AMEMBASSY BRUSSELS IMMEDIATE  
 AMEMBASSY BUENOS AIRES IMMEDIATE  
 INFO AMEMBASSY NEW DELHI IMMEDIATE  
 AMEMBASSY PARIS IMMEDIATE  
 AMEMBASSY TOKYO IMMEDIATE  
 AMEMBASSY CANBERRA IMMEDIATE  
 AMEMBASSY MONTEVIDEO IMMEDIATE  
 AMEMBASSY BOGOTA IMMEDIATE

STATE 099067

E.O. 12065 GDS - 04/04/1985 (BOWIE, BARBARA)  
 TAGS: SHUH, AR, EFIN

SUBJECT: U. S. VOTES ON PROPOSED MULTILATERAL BANK LOANS TO  
 ARGENTINA

REFERENCE: STATE 015725

1. ENTIRE TEXT.

2. THE SECRETARY OF THE TREASURY IS INSTRUCTING THE U. S.  
 DIRECTORS TO THE WORLD BANK AND TO THE INTERAMERICAN  
 DEVELOPMENT BANK TO ABSTAIN ON HUMAN RIGHTS GROUNDS,  
 RESPECTIVELY ON A DOLLARS SIX MILLION ALPESCA LOAN FOR  
 ARGENTINA WHICH IS SCHEDULED TO BE CONSIDERED IN THE IFC ON  
 MAY 8, A DOLLARS 210 MILLION LOAN FOR THE YACYRETA  
 HYDROELECTRIC PROJECT TO BE CONSIDERED BY THE WORLD BANK ON  
 MAY 8 AND A DOLLARS 140 MILLION LOAN FOR THE ALICURA  
 HYDROELECTRIC PROJECT TO BE CONSIDERED BY THE IDB ON MAY 3.

3. THE IFC HAS NOT YET ISSUED DOCUMENTATION ON THE  
 ALPESCA PROJECT, ALTHOUGH THE LIMITED INFORMATION WE HAVE  
 BEEN ABLE TO OBTAIN TO DATE INDICATES THAT THE PROJECT WILL  
 NOT MEET BASIC HUMAN NEEDS. LIKE MOST IFC PROJECTS, IT  
 WILL PROBABLY BE A COMBINATION EQUITY/LOAN PACKAGE TO A  
 PRIVATE OR PARASTATAL ENTITY. THE PROJECT WILL GIVE

ASSISTANCE TO ARGENTINA'S FISHING INDUSTRY NOT DIRECTED  
 OR RESTRICTED TO SMALL SCALE OPERATIONS. NEITHER THE  
 ALICURA NOR THE YACYRETA LOANS APPEAR TO MEET BASIC  
 HUMAN NEEDS. THESE APPEAR TO BE STRAIGHT FORWARD MAJOR  
 POWER GENERATION PROJECTS.

4. FOR ACTION ADDRESSEES, AS PART OF THE CONSULTATIONS  
 PROCESS INITIATED BY REFTEL, PLEASE INFORM HOST  
 GOVERNMENTS OF U. S. POSITION ON THESE PROJECTS AT THE  
 LEVEL AND IN THE MANNER YOU DEEM MOST APPROPRIATE. YOU  
 SHOULD DRAW ON THE FOLLOWING TALKING POINTS IN MAKING  
 YOUR PRESENTATIONS:

-- THE TIME IN WHICH THESE VOTES OCCUR WILL BE A DIFFICULT  
 AND IMPORTANT TESTING PERIOD FOR THE ARGENTINE COMMITMENT  
 TO END DISAPPEARANCES. OUR ABSTENTION, RATHER THAN A NO  
 VOTE, IS BASED ON THAT COMMITMENT, AND OUR POSITION ON  
 FUTURE VOTES WILL DEPEND ON GOA ADHERENCE TO THIS  
 IMPORTANT PROMISE AND THE GENERAL HUMAN RIGHTS SITUATION  
 AT THE TIME.

-- THE ARGENTINE GOVERNMENT ENGAGED IN A SYSTEMATIC  
 PATTERN OF HUMAN RIGHTS ABUSES IN BRINGING A SERIOUS  
 SUBVERSIVE THREAT UNDER CONTROL, AFFECTING LARGE NUMBERS  
 OF PERSONS WHO HAD LITTLE OR NO CONNECTION WITH  
 TERRORIST ORGANIZATIONS. THERE ARE WIDELY VARYING  
 ESTIMATES OF THE NUMBER OF PERSONS AFFECTED BY THE  
 ANTI-SUBVERSIVE CAMPAIGN, BUT IT IS CLEAR THAT LARGE  
 NUMBERS OF PERSONS HAVE BEEN EXTRA-LEGALLY DETAINED,  
 TORTURED DURING INTERROGATION AND SUMMARILY EXECUTED.

-- THE ARGENTINE GOVERNMENT CONTINUES TO DETAIN A LARGE  
 NUMBER OF PERSONS WITHOUT HAVING CHARGED THEM FORMALLY  
 WITH SPECIFIC CRIMES.

-- PRISON CONDITIONS FOR POLITICAL DETAINEES HAVE BEEN  
 POOR WITH OVERCROWDING AND ABUSE BY PRISON GUARDS  
 COMMON.

-- THE GOVERNMENT HAS BEEN SLOW TO ACT ON REQUESTS FOR  
 EXILE BY POLITICAL DETAINEES ALTHOUGH IT HAS ACKNOWLEDGED  
 THE CONSTITUTIONAL RIGHT OF PERSONS HELD WITHOUT CHARGE  
 TO SEEK EXILE IN LIEU OF DETENTION.

-- THE GOVERNMENT HAS MADE LITTLE EFFORT TO INFORM  
 CONCERNED RELATIVES OF THE FATE OF DISAPPEARED PERSONS  
 WHO PRESUMABLY PERISHED IN ANTI-SUBVERSIVE OPERATIONS.

5. WHILE WE BELIEVE THAT THE HUMAN RIGHTS SITUATION IN

ARGENTINA CONTINUES TO WARRANT NON-SUPPORT OF NON-BNN  
 LOANS IN THE MOBS, WE HAVE NOTED MODEST IMPROVEMENTS IN  
 THE GOVERNMENT'S HUMAN RIGHTS RECORD. ABDUCTION OF  
 CITIZENS BY THE SECURITY FORCES APPEARS RECENTLY TO HAVE  
 DROPPED OFF SHARPLY AND MAY HAVE HALTED. THE NUMBER OF  
 ACKNOWLEDGED POLITICAL DETAINEES HELD WITHOUT CHARGE IS  
 DECLINING SLOWLY AND THE GOA IS MOVING TO IMPROVE PRISON  
 CONDITIONS. ON BALANCE THE SITUATION REMAINS SERIOUS.

6. WE WILL CONTINUE TO REVIEW OUR VOTING POLICY ON MOB  
 LOANS FOR ARGENTINA AS THEY ARISE IN LIGHT OF OUR  
 ANALYSIS OF THE HUMAN RIGHTS SITUATION AS IT EXISTS AT  
 THE TIME EACH LOAN IS CONSIDERED. VANCE

ARGENTINA PROJECT (S200000044)

U.S. DEPT. OF STATE, A/RPS/TPS

Margaret P. Grafeld, Director

(X) Release ( ) Excise ( ) Deny

Exemption(s):

Declassify: ( ) In Part (X) In Full

( ) Classify as ( ) Extend as ( ) Downgrade to

Date Declassify on Reason

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